

## Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

IGA-02 EB-07 OMB-01 TRSE-00 MC-02 COME-00 /070 W

----- 045212

P R 201400Z FEB 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC PRIORITY 377

INFO AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

AMEMBASSY GUATEMALA

C O N F I D E N T I A L SAN SALVADOR 0898

PANAMA FOR USCINCSO

EO 11652: GDS

TAGS: MASS ES

SUBJ: FY-77 MILITARY SECURITY ASSISTANCE--EL SALVADOR

REF: STATE 36160

1 THE FOLLOWING IS PROVIDED IN RESPONSE TO THE QUESTIONS  
POSED IN PARAS 4 AND 5 OF REFTEL, IN THE SAME ORDER THEREIN:

2. EL SALVADOR HAS NO RPT NO FY-77 GRANT MATERIEL AND  
SERVICES; QUESTIONS IN PARA 4 ARE THEREFORE NOT APPLICABLE.

3. ANSWERS TO PARA 5 REFTEL QUESTIONS ARE:

A. THE GOES HAS JUST NOTIFIED US THAT IT HAS DECIDED TO  
TURN DOWN THE 2.5 MILLION DOLLAR CREDIT FOR FY1976. IT SHOULD  
BE NOTED THIS WAS OFFER OF FFB CREDIT, NOT DIRECT FMS CREDIT.

THIS REQUIRED AN INITIAL INTEREST SERVICE CHARGE AND THE  
INTEREST RATE WOULD BE DETERMINED FOR EACH DISBURSEMENT

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OF THE FFP CREDIT. OUR ANALYSIS OF THIS GOES ACTION IS

AS FOLLOWS: (1) THE GOES STILL HAS AVAILABLE OVER 1 MILLION DOLLARS OF FY75 CREDIT. (2) EL SALVADOR IS IN THE PROCESS OF ELECTING A NEW LEGISLATURE IN MARCH 76 AND WILL ELECT A NEW PRESIDENT IN MARCH 77. IT IS DOUBTFUL THAT ANY NEW MAJOR PURCHASES WILL BE INITIATED AND/OR APPROVED BY THE PRESIDENT UNTIL AFTER THE MARCH 77 ELECTION. THE ARMED FORCE OF EL SALVADOR STILL HAS NEED OF MODERNIZATION AND REPLACEMENT OF AGING EQUIPMENT. WE RECOMMEND THAT THE FY77 CREDIT MONIES BE OFFERED TO THE NEW ADMINISTRATION. ALTHOUGH IT IS DIFFICULT TO SPECULATE WHAT A NEW ADMINISTRATION MIGHT OR MIGHT NOT DO, WE SHOULD KEEP IN MIND THAT, ESPECIALLY IF THE FY77 CREDIT OFFER IS AGAIN UNDER FFB AS OPPOSED TO FMS CONDITIONS, THE OFFER MIGHT AGAIN BE DECLINED WITH THANKS.

B. THE COUNTRY TEAMS'S PRESENT BEST GUESS OF THE PRIORITY OF GOES EQUIPMENT NEEDS FOR POSSIBLE FY77 PROCUREMENT IS AS FOLLOWS:

AIRCRAFT SUPPORT

REPAIR PARTS FOR US AIRCRAFT NOW IN SERVICE \$100,000

POSSIBLE (#) PURCHASE OF HELICOPTERS \$2,000,000

(#) THE INCLUSION OF HELICOPTERS REPRESENTS OUR OWN THINKING. THE GOES JUST REVERSED ITSELF ON THE ACQUISITION OF HELICOPTERS FOR FY76. THIS NEGATIVE DECISION WAS PARTIALLY BASED ON A NEED TO AVOID SPENDING A DISPROPORTIONATE SHARE OF THE AIR FORCE AS OPPOSED TO THE ARMY. WHETHER A NEW PRESIDENT COULD REVERSE THIS DECISION IS OBVIOUSLY OPEN TO QUESTION).

NAVAL PATROL BOAT REPAIR PARTS \$150,000

GROUND MOBILITY

2 1/2 TON TRUCKS 200,000

COMMAND AND CONTROL REPAIR PARTS PRC 77 RADIOS AND OTHER COMMUNICATION EQUIPMENT 50,000

TOTAL 2,500,000

C. NO FORCE GOAL INVOLVED.

D. EL SALVADOR GENERALLY SHARES THE US WORLD PERSPECTIVE. THE GOES RECOGNIZES A POSSIBILITY OF A FUTURE INCREASE OF INTERNAL INSURGENCY AND DISORDER. ITS PRESENT FORCE STRUCTURE AND FUTURE PLANNING, THEREFORE, ARE BASED UPON COUNTERING THIS ACTIVITY, AS WELL AS DEFENSE FROM EXTERNAL  
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ATTACK.

E. IF NEW HELICOPTERS WERE PROCURED, PILOT TRAINING WOULD HAVE TO BE AN INTEGRAL PART OF THE PACKAGE. HOWEVER, PILOTS WOULD BE TRAINED BY GRANT TRAINING MONIES.

F. US POLICY CONSIDERATION SHOULD BE BASED UPON SEVERAL FACTORS: (1) SUPPORTING PRESENT EL SALVADORAN FORCE

STRUCTURE TO MAINTAIN OVERALL FRAMEWORK OF STABILITY IN REGION;  
(2) RETAINING USG ABILITY TO CONTINUE ITS FAVORABLE REALTIONSHIP  
WITH THE MILITARY OFFICER CORPS, THE SINGLE MOST IMPORTANT ELEMENT  
IN THE PRESENT, AND MOST LIKELY ANY FUTURE, POLITICAL SCENARIO,  
BY RESPONDING TO ANY LEGITIMATE NEED.

G. CREDIT SALES WOULD NOT SIGNIFICANTLY AFFECT REGIONAL  
BALANCE OR CONTRIBUTE TO ARMS RACE.

H. WE BELIEVE THE NEED FOR 2.5 MILLION FY77 CREDIT IS  
DEMONSTRABLE BASED UPON THE PRESENT PROJECTIONS OF FMS  
CREDIT TO MODERNIZE AND REPLACE ANTIQUATED EQUIPMENT.

I. IT DOES NOT APPEAR THE PROPOSED CREDIT LEVEL WOULD PLACE AN  
UNDESIRABLE BURDEN ON THE COUNTRY'S FOREIGN EXCHANGE RESOURCES.

J. NONE. BASED UPON THE FACT THAT THE HOST COUNTRY  
DESIRES A LIGHT ARMORED TANK, HOWEVER, THEY ARE NOW LOOKING  
TOWARD A POSSIBLE THIRD COUNTRY PURCHASE OF SUCH A VEHICLE.

4. WHILE READING THE ABOVE JUSTIFICATION OF A \$2.5 MILLION  
FY77 CREDIT LINE, IT MUST BE KEPT IN MIND THAT THE COUNTRY  
TEAM'S ORIGINAL SUGGESTION OF FY77 FMS WAS 1 MILLION DOLLARS.  
THIS FIGURE WAS LATER INCREASED TO 2.5 MILLION BY A JOINT  
STATE/DEFENSE MESSAGE.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MILITARY EQUIPMENT, MILITARY CREDIT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1976  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Document Unique ID:** 00  
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**To:** STATE  
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